

DISTRICT NO. 6 PUBLIC WORKS COMMISSION  
OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

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 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
 District No. 6 Public Works Commission  
 of St. Landry Parish  
 Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of District No. 6 Public Works Commission as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District No. 6 Public Works Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of District No. 6 Public Works Commission, as of December 31, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2012 on our consideration of District No. 6 Public Works Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Commissioners  
District No. 6 Public Works Commission  
of St. Landry Parish  
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District No. 6 Public Works Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement although not required to be part of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District No. 6 Public Works Commission's financial statements as a whole. The financial statement of the individual fund, as listed on page 22 in the table of contents, for the years ended December 31, 2011 and 2010, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Opelousas, Louisiana  
June 27, 2012

### BASIC FINANCIAL STATEMENTS

The District No. 6 Public Works Commission's basic financial statements comprise the following three components:

Government-wide financial statements - provide readers with a broad overview of District No. 6 Public Works Commission's finances in a manner similar to a private sector business.

Fund financial statements - provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the near-term financial needs.

Notes to financial statements - provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL SECTION

DISTRICT No. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF NET ASSETS  
GOVERNMENTAL FUND  
DECEMBER 31, 2011

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash and cash equivalents	\$ 1,178,913
Receivables	
Ad valorem taxes	1,321,409
State revenue sharing	20,638
Prepaid insurance	4,012
Capital assets (net)	71,317
<u>Total assets</u>	<u>2,596,289</u>
 <u>LIABILITIES</u>	
Accounts payable and accrued expenses	7,328
Long-term liabilities	
Due within one year	260,000
Due in more than one year	-
<u>Total liabilities</u>	<u>267,328</u>
 <u>NET ASSETS</u>	
Investment in capital assets, net of related debt	71,317
Unrestricted	2,257,644
<u>Total net assets</u>	<u>2,328,961</u>

The accompanying notes are an integral part of this statement.

DISTRICT No. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUND  
DECEMBER 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Change in Net Assets</u>
		<u>Grants and Charges for Services</u>	<u>Governmental Activities</u>
<u>Governmental Activities</u>			
Public works	\$ 487,009	\$ -	\$ (487,009)
Interest and fees on debt	<u>18,355</u>	<u>-</u>	<u>(18,355)</u>
<u>Total governmental activities</u>	<u>505,364</u>	<u>-</u>	<u>(505,364)</u>
General revenues			
Taxes			1,344,073
Intergovernmental			30,980
Interest			7,027
<u>Total general revenues</u>			<u>1,382,080</u>
Change in net assets			876,716
Net assets – January 1, 2011			<u>1,452,245</u>
Net assets – December 31, 2011			2,328,961

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2011

GENERAL FUND

ASSETS

Cash	\$ 1,178,913
Ad valorem taxes receivable (net)	1,321,409
State revenue sharing receivable	<u>20,638</u>
<u>Total assets</u>	<u>2,520,960</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued expenses	\$ 7,328
<u>Total liabilities</u>	<u>7,328</u>

FUND BALANCE

Fund balance	
Unassigned	<u>2,513,632</u>
<u>Total fund balance</u>	<u>2,513,632</u>
<u>Total liabilities and fund balance</u>	<u>2,520,960</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Total fund balance for the governmental fund at December 31, 2011		\$ 2,513,632
Cost of capital assets at December 31, 2011	\$ 127,113	
Less: Accumulated depreciation as of December 31, 2011	<u>(55,796)</u>	71,317
Less: Long-term liabilities at December 31, 2011		
Bonds payable		(260,000)
Prepaid insurance		<u>4,012</u>
<u>Net assets at December 31, 2011</u>		<u><u>2,328,961</u></u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Taxes	
Property taxes	\$ 1,344,073
Intergovernmental	
State revenue sharing	30,980
Interest	7,027
<u>Total revenues</u>	<u>1,382,080</u>
<u>EXPENDITURES</u>	
Current operating	
Salaries	103,303
Payroll taxes	8,233
Materials	209,252
Other insurance	19,065
Legal and advertising	8,438
Licenses and fees	44
Telephone	4,291
Travel	4,499
Utilities	2,774
Professional fees	16,551
Rent	37,140
Repairs and maintenance	6,255
Chemicals	550
Fuel and oil	17,625
Parts and supplies	20,783
Office supplies	9,278
Uniform cleaning	2,815
Miscellaneous	60
Debt service	
Interest	18,355
Principal	250,000
<u>Total expenditures</u>	<u>739,311</u>
<u>NET CHANGE IN FUND BALANCE</u>	642,769
<u>FUND BALANCE</u> , beginning of year	<u>1,870,863</u>
<u>FUND BALANCE</u> , end of year	<u>2,513,632</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

Total net change in fund balance for the year ended December 31, 2011 per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 642,769
Change in prepaid insurance for year ended December 31, 2011	(6,497)
Depreciation expense for year ended December 31, 2011	(9,556)
Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>250,000</u>
<u>Total change in net assets for the year ended</u> <u>December 31, 2011 per Statement of Activities</u>	<u>876,716</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

District No. 6 Public Works Commission of St. Landry Parish, is a political subdivision of the State of Louisiana and possesses all the powers necessary to construct, acquire, operate, and maintain roads, bridges, and road drainage facilities as well as the rights, powers, and authority enumerated for road districts in Part II of Chapter 2 of Title 48. The Commission was created by Louisiana Revised Statute 48:600.1.

The Commission is governed by 6 commissioners appointed by the St. Landry Parish Government. Effective in October, 2009, the Commission approved reimbursements to commissioners for each meeting attended. Prior to October, 2009, they received no compensation.

The accompanying financial statements of District No. 6 Public Works Commission of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements (GWFS), Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

The following is a summary of certain significant accounting policies and practices of District No. 6 Public Works Commission of St. Landry Parish.

**A. FINANCIAL REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**A. FINANCIAL REPORTING ENTITY - Continued**

Because the parish government appoints the commissioners of District No. 6 Public Works Commission and the function of the Commission serves as a substantial contribution to similar services provided by the parish government, the Commission was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The Statement of Net Assets and the Statement of Activities display information on all of the nonfiduciary activities of the Commission, a component unit, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**FUND FINANCIAL STATEMENTS**

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

FUND FINANCIAL STATEMENTS - Continued

The Commission uses the following governmental fund:

General Fund - The General Operating Fund of District No. 6 Public Works Commission of St. Landry Parish is used to account for all financial resources except those required to be accounted for in other funds.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. A fund on an accrual basis utilizes an economic resources measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.



DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

BASIS OF ACCOUNTING - Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenue sharing revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. CASH AND INVESTMENTS

Investments, if any, are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment. At December 31, 2011, the Commission did not hold any investments.

E. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable).

Depreciation of all exhaustible assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	10-20 years
Trucks	5-15 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No interest costs were incurred during construction.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. BUDGETS

The Commission legally adopted a budget for the year ended December 31, 2011. The budget is prepared on a modified accrual basis. At year-end all appropriations lapse. The budget amounts shown in the financial statements are the final authorized amounts as revised for the year. The level of budgetary control is by total appropriations; however, for reporting purposes, the budgetary information has been expanded.

G. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

H. COMPENSATED ABSENCES

Annual vacation leave is provided to all full-time employees and they are encouraged to take an annual vacation. Employees earn 40 hours of vacation time for the first year of service, 80 hours for the second year, and 120 hours beginning on the eleventh year. Vacation time in excess of 30 days may not be accumulated for a period more than one year in addition to the present year in which the vacation time is being earned.

Sick leave is earned at the rate of 2.77 hours per bi-weekly period. Any unused sick leave is carried over on December 31 of each year. Upon termination or resignation accrued sick leave will not be paid to the employee.

Employees also may accumulate compensatory time for hours worked in excess of 40 hours per week. Compensatory time will not be paid upon termination or resignation.

I. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt for the governmental fund is not reported as liabilities in the fund financial statements. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

J. EXPENDITURES AND EXPENSES

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, the governmental fund reports expenditures of financial resources.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted – Reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board members – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board members remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned – Reflects the amounts constrained by the district's "intent" to be used for specific purposes, but are neither restricted nor committed. The members of the board have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

District No. 6 Public Works Commission of St. Landry Parish does not provide any post-employment benefits to employees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions.

NOTE 2 - CASH

At December 31, 2011 the bank and book balances of cash in checking accounts were \$1,179,266 and \$1,178,913, respectively.

At year-end, \$250,000 of the bank balance was covered by FDIC insurance and \$929,266 was covered by securities held by the pledging financial institution.

NOTE 3 - AD VALOREM TAXES

District No. 6 Public Works Commission of St. Landry Parish levies a special tax of 14.37 mills on all taxable property. This tax, which was approved at a special election held on May 4, 2002, will be assessed for a period of 10 years, beginning with the year 2002 and ending with the year 2011, for the purpose of constructing, acquiring, operating and maintaining the roads, bridges and road drainage facilities of the Commission and acquiring the necessary equipment therefore.

The Commission's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent on January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the Commission using the assessed values determined by the Tax Assessor of St. Landry Parish.

The Commission is required to remit a percentage of the total ad valorem taxes per the tax roll to a State Pension Fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the Pension Fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of Pension Fund distributions. A breakdown of taxes receivable is as follows:

	<u>Total Per</u> <u>Tax Roll</u>	<u>Pension Fund</u> <u>Requirements</u>	<u>Received</u> <u>in</u> <u>December</u>	<u>Allowance</u> <u>for</u> <u>Uncollectibles</u>	<u>Tax</u> <u>Receivable</u>
2011	\$ 1,379,928	\$ 43,106	\$ 12,806	\$ 2,607	\$ 1,321,409

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 4 - CAPITAL ASSETS**

Capital assets and depreciation activity, as of and for the year ended December 31, 2011, for District No. 6 Public Works Commission of St. Landry Parish are as follows:

	Balance January 1, 2011	Additions	Disposals	Balance December 31, 2011
Governmental activities				
Trucks	\$ 52,900	\$ -	\$ -	\$ 52,900
Equipment	74,213	-	-	74,213
<u>Totals at historical cost</u>	<u>127,113</u>	<u>-</u>	<u>-</u>	<u>127,113</u>
Less accumulated depreciation				
Trucks	(15,857)	(5,290)	-	(21,147)
Equipment	(30,383)	(4,266)	-	(34,649)
<u>Total accumulated depreciation</u>	<u>(46,240)</u>	<u>(9,556)</u>	<u>-</u>	<u>(55,796)</u>
Governmental activities				
Capital assets, net	<u>80,873</u>	<u>(9,556)</u>	<u>-</u>	<u>71,317</u>

Depreciation expense was charged to governmental activities as follows:

Public works	\$9,556
--------------	---------

**NOTE 5 - LONG-TERM DEBT**

On March 19, 2003, the Commission issued \$2,000,000 of Certificates of Indebtedness, Series 2003 bearing interest at the rate of 4.55 percent and having a final maturity of March 1, 2012. The certificates were secured by a pledge and dedication of the Commission's 14.37 mills property tax and were issued for the purpose of constructing, acquiring, operating, and maintaining roads and bridges, and road drainage facilities.

The following is a summary of the long-term obligation transactions for the year ended December 31, 2011:

<u>Governmental Activities</u>	Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011	Due Within One Year
Bonds payable					
2003 General Obligation Bond	\$ 510,000	\$ -	\$ 250,000	\$ 260,000	\$ 260,000
<u>Total long-term obligations</u>	<u>510,000</u>	<u>-</u>	<u>250,000</u>	<u>260,000</u>	<u>260,000</u>

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 5 - LONG-TERM DEBT – Continued

Maturities of long-term debt are scheduled as follows:

<u>General Obligation Bond</u> <u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 260,000	\$ 6,240	\$ 266,240

NOTE 6 - OPERATING LEASE

On March 3, 2010, the Commission entered into an operating lease for a John Deere Motor Grader. The lease is for a period of five years and requires monthly payments of \$2,470. Rental expenditures for 2011 were \$29,640.

Future minimum lease payments are as follows:

2012	\$ 29,640
2013	29,640
2014	29,640
2015	2,470

NOTE 7 - FUND BALANCE

The Commission does not have a deficit fund balance in its fund financial statement for the year ended December 31, 2011.

NOTE 8 - COMMISSION MEMBERS

A list of commissioners as of December 31, 2011, along with compensation received is as follows:

Bradley Grimmett, Chairman	\$ 1,400
Joseph Todd Abshire, Vice Chairman	1,400
Julie Artigue, Secretary / Treasurer	1,400
Grant Guillory	900
Jerry P. Arnaud	1,100
Joseph Melancon	1,300
	<u>7,500</u>



DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 9 - SUBSEQUENT EVENTS**

As explained in Note 3, the Commission's ad valorem tax expires with the 2011 tax year. Subsequent to year-end the Commission placed a proposed renewal of the tax on the ballot for the April 2012 election. That proposal passed, renewing the ad-valorem tax for the Commission.

**NOTE 10 - FUND BALANCE CONSTRAINTS**

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification.

	<u>GENERAL FUND</u>
Fund Balance:	
Nonspendable	\$ -
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>2,513,635</u>
Total Fund Balance	<u><u>2,513,635</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE



DISTRICT No. 6 ROAD PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 990,000	\$ 954,000	\$ 1,344,073	\$ 390,073
Intergovernmental				
State revenue sharing	32,000	23,000	30,980	7,980
Interest	12,000	8,000	7,027	(973)
<u>Total revenues</u>	<u>1,034,000</u>	<u>985,000</u>	<u>1,382,080</u>	<u>397,080</u>
<u>EXPENDITURES</u>				
Current Operating				
Salaries - administration	27,000	24,000	25,085	(1,085)
Salaries - operators	105,000	79,000	78,218	782
Payroll taxes	15,200	7,720	8,233	(513)
Materials	525,000	200,000	209,252	(9,252)
Workmen's compensation	15,000	8,000	-	8,000
Insurance - other	16,800	14,000	19,065	(5,065)
Legal and advertising	2,625	10,000	8,438	1,562
Licenses and fees	100	60	44	16
Telephone	6,500	4,600	4,291	309
Travel	4,300	4,400	4,499	(99)
Utilities	4,500	3,000	2,774	226
Professional fees	10,000	10,750	16,551	(5,801)
Rent	38,000	37,500	37,140	360
Repairs and maintenance	15,000	6,500	6,255	245
Chemicals	-	-	550	(550)
Fuel and oil	15,000	20,000	17,625	2,375
Parts and supplies	15,000	24,200	20,783	3,417
Office supplies	6,500	11,000	9,278	1,722
Uniform cleaning	3,500	2,900	2,815	85
Board meeting expense	10,000	100	-	100
Miscellaneous	-	-	60	(60)
Debt service				
Interest	18,355	18,720	18,355	365
Principal	250,000	255,875	250,000	5,875
Capital outlay - equipment	30,000	-	-	-
<u>Total expenditures</u>	<u>1,133,380</u>	<u>742,325</u>	<u>739,311</u>	<u>3,014</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(99,380)</u>	<u>242,675</u>	<u>642,769</u>	<u>400,094</u>
<u>FUND BALANCE, beginning of year</u>			<u>1,870,863</u>	
<u>FUND BALANCE, end of year</u>			<u>2,513,632</u>	

OTHER SUPPLEMENTARY INFORMATION

### GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	GENERAL FUND	
	2011	2010
<u>REVENUES</u>		
Taxes		
Property taxes	\$ 1,344,073	\$ 1,027,553
Intergovernmental		
State revenue sharing	30,980	34,359
Interest	7,027	11,643
Miscellaneous	-	306
<u>Total revenues</u>	<u>1,382,080</u>	<u>1,073,861</u>
<u>EXPENDITURES</u>		
Current operating		
Salaries - administration	25,085	24,596
Salaries - operators	78,218	84,383
Payroll taxes	8,233	9,244
Materials	209,252	503,682
Workmen's compensation	-	8,020
Other insurance	19,065	20,662
Legal and advertising	8,438	370
Licenses and fees	44	26
Telephone	4,291	4,424
Travel	4,499	4,034
Utilities	2,774	2,866
Professional fees	16,551	7,585
Rent	37,140	34,305
Repairs and maintenance	6,255	1,387
Chemicals	550	1,324
Fuel and oil	17,625	9,177
Parts and supplies	20,783	12,991
Office supplies	9,278	6,574
Uniform cleaning	2,815	2,658
Miscellaneous	60	53
Debt service		
Interest	18,355	29,750
Principal	250,000	240,000
Capital outlay - equipment	-	29,000
<u>Total expenditures</u>	<u>739,311</u>	<u>1,037,111</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>642,769</u>	<u>36,750</u>
<u>FUND BALANCE, beginning of year</u>	<u>1,870,863</u>	<u>1,834,113</u>
<u>FUND BALANCE, end of year</u>	<u>2,513,632</u>	<u>1,870,863</u>

### RELATED REPORTS

Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
 REPORTING AND ON COMPLIANCE  
 AND OTHER MATTERS BASED ON AN AUDIT OF  
 FINANCIAL STATEMENTS PERFORMED  
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
 District No. 6 Public Works  
 Commission of St. Landry Parish  
 Port Barre, Louisiana

We have audited the financial statements of the governmental activities and each major fund of District No 6 Public Works Commission, as of and for the year ended December 31, 2011, which collectively comprise the District No 6 Public Works Commission's basic financial statements and have issued our report thereon dated June 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District No 6 Public Works Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered District No 6 Public Works Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting 2011-1, 2011-2, 2011-3. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

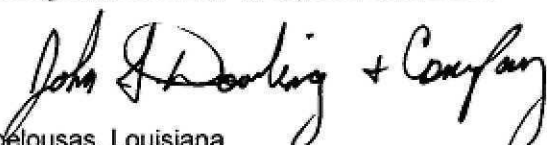
To the Board of Commissioners  
District No. 6 Public Works  
Commission of St. Landry Parish  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District No 6 Public Works Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District No. 6 Public Works Commission of St. Landry Parish's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of District No 6 Public Works Commission, its Commissioners and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Opelousas, Louisiana  
June 27, 2012

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the District No. 6 Public Works Commission of St. Landry Parish.
2. Three significant deficiencies disclosed during the audit of the financial statements reported in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of District No. 6 Public Works of St. Landry Parish, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. A single audit was not required under OMB Circular A-133.

**Internal Control Material To The Financial Statements**

**2011-1 Inadequate Control over Financial Statement Preparation**

Condition: District No. 6 Public Works of St. Landry Parish does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes.

Criteria: A reporting entity should be able to prepare financial statements in accordance with GAAP without assistance from the auditor.

Cause: District No. 6 Public Works of St. Landry Parish does not have adequate staff with the time, experience or training to prepare financial statements in accordance with GAAP.

Effect: A number of audit adjustments were recorded and the audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Recommendation: The District No. 6 Public Works of St. Landry Parish should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Management Response: Due to the size and nature of our operations it is not considered to be cost beneficial to hire additional personnel at this time.



DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2011

2011-2 Inadequate Segregation of Duties with Accounting Functions

Condition: District No. 6 Public Works of St. Landry Parish does not have adequate segregation of duties over accounting functions.

Criteria: A reporting entity should have adequate segregation of duties over accounting functions.

Cause: Only one employee performs accounting functions for the Commission.

Effect: There is inadequate segregation of duties over accounting functions.

Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it is not feasible to achieve complete segregation of duties within the accounting system.

Management Response: Due to the size and nature of our operations it is not considered to be cost beneficial to hire additional personnel at this time.

2011-3 Inadequate Control over Petty Cash

Condition: The existing system of handling petty cash transactions does not provide for the proper recording of expenses or for control over the petty cash balance.

Criteria: Governmental accounting standards require that adequate internal controls be maintained over cash balances.

Cause: Petty cash transactions are not recorded properly and there is inadequate control over the petty cash balance.

Effect: Reimbursements of petty cash balances are not adequately substantiated.

Recommendation: The Commission should keep a reconciliation of petty cash balance and keep copies of all receipts for proper recording of expenses.

Management Response: The Commission will maintain more detailed records.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2010-1 Inadequate Control over Financial Statement Preparation

Unresolved

2010-2 Inadequate Segregation of Duties with Accounting Functions

Unresolved

2010-3 Inadequate Control over Petty Cash

Unresolved

2010-4 Public Bid Law Not Followed

Resolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.

[This form is an unaudited informational document  
prepared by management of the agency.]

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

DATA COLLECTION FORM

FOR REPORTING ON STATE AND LOCAL GOVERNMENT AND QUASI-PUBLIC AGENCIES

The federal data collection form may be used as a substitute for  
this form.

Date Submitted 6 / 28 / 2012

TOTAL ACTUAL COST OF ENGAGEMENT \$ 7,025

RETURN to: Legislative Auditor ([ereports@lla.la.gov](mailto:ereports@lla.la.gov)) or  
Attn: Engagement Processing  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

12 / 31 / 11

3. Audit Period Covered

☒ Annual

☐ Other \_\_\_\_\_ to \_\_\_\_\_

2. Type of Report:

☐ Single Audit ☒ GAO (Yellow Book) Audit

☐ Compilation ☐ Review/Attestation

☐ Program Audit ☐ Other

Total Revenues and other sources, all funds \$ 1,382,080

4. AUDITEE INFORMATION

Auditee Name

**District No. 6 Public Works Commission**

Street Address (Number and Street)

Mailing Address (PO No.)

**201 McCormick Drive**

City

**Port Barre**

State

**LA**

Zip

**70577**

Auditee Contact

Name

**Bradley Grimmert**

Title

**Chairman**

Telephone

**337-585-3525**

Fax

**337-585-3526**

Email (Optional)

5. AUDITOR INFORMATION

Firm Name

**John S. Dowling & Company**

Street Address (Number and Street)

**4766 I-49 N Service Road**

Mailing Address (PO No.)

**PO Box 1549**

City

**Opelousas**

State

**LA**

Zip

**70571-1549**

Auditor Contact

Name

**G. Kenneth Pavy, II**

Title

**CPA**

Telephone

**337-948-4848**

Fax

**337-948-6109**

Email (Optional)

**Kenneth@jsdc-cpas.com**

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reported deficiencies in internal control, no reported instances of noncompliance, no management letter, and no prior year findings, check this box and do not complete the rest of the form. ☐

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. ☐ Not Applicable

☒ Unqualified Opinion ☐ Qualified Opinion ☐ Adverse Opinion ☐ Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report?

☐ Yes ☒ No

c. Do any of the funds have deficit balances?

☐ Yes ☒ No

7. INTERNAL CONTROL

Do the comments on internal control include: ☐ material weaknesses ☒ significant deficiencies

8. COMPLIANCE

Do the comments on compliance include: ☐ criminal acts ☐ fraud and abuse ☒ not applicable

9. CURRENT YEAR MANAGEMENT LETTER (Finding Caption and No.)

\_\_\_\_\_

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\_\_\_\_\_

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\_\_\_\_\_

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

2011-1 Inadequate Control Over Financial Statement \$ \_\_\_\_\_ Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Presentation \$ \_\_\_\_\_ Resolved ☐ Yes ☒ No ☐ No Longer Applicable

2011-2 Inadequate Segregation of Duties with \$ \_\_\_\_\_ Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Accounting Functions \$ \_\_\_\_\_ Resolved ☐ Yes ☒ No ☐ No Longer Applicable

2011-3 Inadequate Control Over Petty Cash \$ \_\_\_\_\_ Resolved ☐ Yes ☒ No ☐ No Longer Applicable

\$ \_\_\_\_\_ Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? ☐ Yes ☐ No

Do any findings address violation of bond indenture covenants? ☐ Yes ☐ No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS

(Finding/Comment Caption and No.)

2010-1 Inadequate Control Over Financial Statement Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Presentation Resolved ☐ Yes ☒ No ☐ No Longer Applicable

2010-2 Inadequate Segregation of Duties with Resolved ☐ Yes ☐ No ☐ No Longer Applicable

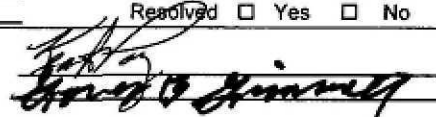
Accounting Functions Resolved ☐ Yes ☒ No ☐ No Longer Applicable

2010-3 Inadequate Control Over Petty Cash Resolved ☐ Yes ☒ No ☐ No Longer Applicable

2010-4 Public Bid Law Not Followed Resolved ☒ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

CPA SIGNATURE  
AUDITEE SIGNATURE



Date 6-27-12

Date 6-27-12